THE HON'BLE SRI JUSTICE V.ESWARAIAH

WRIT PETITION No.24183 of 2005

Between:

Mrs.Rohini and another.

..
PETITIONERS

and

The Senior Branch Manager.

.. RESPONDENT

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ORDER:

It is the stated that one V.Srinivas Rao obtained a sanction of loan

of Rs.26.73 lakhs and a seed capital loan of Rs.10.00 lakhs to conduct business operation under the name and style of M/s.Jagapathi Bore Wells from the respondent Corporation and the said loan was disbursed. In that connection, collateral security was furnished by Sri V.Venkateshwara Rao and his wife Y.Yadamma, the 2nd respondent herein. The 1st petitioner is the wife of the said V.Srinivasa Rao, the principal borrower. It is further stated that in fact the 2nd petitioner also availed a separate loan of Rs.20.00 lakhs from the respondent Corporation for acquiring Earth Moving Equipment and she is a defaulter and she is due and payable a sum of Rs.30.69 lakhs to the respondent Corporation.

Insofar as the 1st petitioner is concerned, an amount of Rs.12,55,812/- towards principal, an amount of Rs.13,14,966/- towards interest and an amount of Rs.16,034/- towards other expenses, i.e., total Rs.25,86,812/-, was due and payable as on 31-10-2005. The 1st petitioner being the legal heir of the principal borrower, she is liable to pay the said amount.

It is stated that both the properties of the petitioners are notified for realization of the said amount. Questioning the same, this writ petition has been filed.

This court by order, dated 11-11-2005, granted interim stay of sale.

It is stated that in fact after the death of the said Srinivasa Rao, the loan account was rescheduled in the year 2003 and even as per the reschedule, the amount payable as on 31-01-2007 is Rs.38,86,754/-.

The learned counsel appearing for the respondent Corporation submits that the application filed by the petitioners proposing to pay Rs.33,00,000/- for closure of the account was not considered and the same was rejected and the petitioners were advised to pay equivalent to

NSR amount atleast.

The learned counsel appearing for the petitioners submits that as per the revised reschedule as on 31-03-2003, the principal amount of Rs.25,48,888/- was payable in 34 monthly instalments. Even the last instalment is to be paid by the end of 11-03-2006 but the same has not been paid and the total due as on 31-01-2007 is Rs.38,86,754/- including interest and other amount. However, as the said notice issued by the respondent for auction of the said properties, was valid only for 90 days and it is for the respondent to take appropriate action in accordance with law.

The learned counsel appearing for the petitioners submits that they have made a representation, dated 19-08-2005, for reschedule of the term loan, so as to enable the petitioners to repay the said amount. It is stated that the said representation, dated 19-08-2005 has not at all been considered and there was no mention about consideration and disposal of the said representation.

Having regard to the facts and circumstances of the case, the petitioners are permitted to file another representation either for one time settlement or for reschedule of the loan amount within one week from today. If any such representation is filed, the respondent shall consider and dispose of the same within three weeks thereafter, and take appropriate action depending upon the result of the disposal of the said representation. There shall be no order as to costs.

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13-04-2007

Prv